LNG import from Iran

382. SHRI AMAR SINGH:
SHRI ABU ASIM AZMI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government have signed a 22 billion dollar deal to import 5 million tonnes of LNG from Iran in 2005;

(b) if so, the details thereof; and

(c) whether the present Government in Iran have refused to honour that agreement and if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) A Sale-Purchase Agreement (SPA) was signed on June 13, 2005 in Tehran for 5 million metric tonnes per annum (MMTPA) of LNG between the National Iranian Gas Export Company (N1GEC) and the Indian Consortium of GAIL (India) Limited (GAIL), Indian Oil Corporation (IOC) & Bharat Petroleum Corporation Limited (BPCL). The contract period was for 25 years, beginning from the last quarter of 2009. Simultaneously, the parties also signed a side letter to the LNG SPA on June 13, 2005, by which NIGEC had to obtain the approval of their parent company, National Iranian Oil Company (NIOC), for the SPA to become effective. NIGEC has not conveyed the approval of NIOC's Board till now.

Matter is being consistently pursued with Iran through written communications as well as personal discussions. During the visit of Minister (P&NG) to Iran during April 25-26, 2007, the issue was discussed and the Iranian President assured the Indian delegation that Iran is committed to the LNG contract.

APM of natural gas

383. SHRI MOHAMMED AMIN:
SHRI TAPAN KUMAR SEN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the methodology of determining Administrative Price of natural gas;

(b) the minimum and maximum return on investment envisaged in the above Administrative Pricing Mechanism (APM); and

(c) the return on investment assessed for RIL-NIKKO's K.G-D6 block with the proposed base gas price 4.33 dollar/million btu?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) The determination of producer price of gas produced from fields given to ONGC and OIL on nomination basis is done taking into account the investments made for development of infrastructure, including the cost incurred on exploration, as also the market conditions, including the price of alternative fuels and price of natural gas from alternate source, such as JV, LNG, etc. The issue has been examined by various Committees appointed by the Government